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Therefore we find that the coercion agencies with a strength of 40 to 50 million are able to control China's entire population. In other words 10 per cent controls the other 90 per cent. Further, about 20 to 30 per cent of the population belongs to some organization and is therefore subject to Communist control. The coercion agencies owe their strength to efficient organization which was unknown in China before the Communists.

3. The Communists have effectively accomplished complete economic control by:
 - (a) a great expansion of Government enterprise so that it now [May 1953] accounts for 59 per cent of China's revenue, and
 - (b) a land reform which has resulted in 60-70 per cent of the population becoming indebted to the Government and subject to its demands.

Collectivization in China is an elementary form of Soviet collectivization.

4. The Communist control is further strengthened by propaganda and gratitude towards the new government expressed by some of the people. Concerning Communist propaganda, it is constantly used and supported by proper indoctrination. In their indoctrination, the Communists argue simple matters until the repetition by their subjects becomes a reflexive action. Hence the belief or disbelief by the subjects is unimportant as long as they react properly from fear or reflex.
5. In explaining the origin or reason for gratitude towards the Communists, especially by the intelligentsia, the following Communist acts seemed to some people to justify Communist control. By these measures, the Communists have won some respect.
 - (a) maintenance of price stability after the KMT even down to 1953 despite the Korean War
 - (b) introduction of public improvements, increase of sanitation and placing the railways on schedule
 - (c) a creation of sufficient work - idle factories were seldom seen in China in 1950
 - (d) establishment of peace and an end to civil war
 - (e) a fostering of nationalism by demonstrating government power and force.
6. Finally, in considering the origin of the Communist victory in China, we must realize that, despite its good army, the Communists would never have succeeded if the people had had a third alternative or if the KMT had not disintegrated. The intellectuals wanted a coalition government, not the Communists. They desired a balance between the Communists and the KMT. The Communists used this desire in establishing its "coalition" government which was not a coalition in fact and hardly in name. With its success in overthrowing the KMT, the Communists hit their potential enemies hard. The landlords were the first to feel the Communist power. By their removal, the middle class peasants were neutralized. By dealing with a limited number at any one time, the government has succeeded in neutralizing all potential class enemies and in subjecting all classes to its control.

7. Q. What has been the effect of the Korean War on the Chinese people?
 - A. The reaction has been different among the different classes and economic

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groups. Everyone in late 1950 was superficially enthusiastic and displayed a high morale. [redacted] morale was especially high among the high school students. The peasants were kept ignorant of the situation and were possibly in favor of the War. Now [May 1953] the rest of the people may be tired of the conflict, especially the city dwellers who feel the impact greater than the rest. Also the drain of manpower even in the villages has probably introduced skepticism in the people's minds.

8. Q. Could that skepticism be the cause of China's peace moves?

A. I don't know. The War is a Moscow show and in 1950 I had the impression that Mao was very reluctant to enter the fight. This reluctance has probably been reflected in the fact that China was first to take advantage of the current USSR peace move. However, I doubt that China would have acted without USSR approval.

9. Q. Has China control of the radio?

A. The Chinese Government controls all stations even those reported as privately operated in Shanghai. The number of radios in China is unknown and it is extremely dangerous for any citizen to listen to foreign broadcasts.

10. Q. What happened to the war lords?

A. They no longer exist. They and their followers are scattered although the Ala Shan guerrillas are extending their control into Kansu.

11. Q. Why are the Communists more successful organizers than the KMT officials who were originally trained by Moscow?

A. Because of the following:

1. the fanatic devotion to their cause which the Communists have but the KMT officials lacked
2. the comparatively exemplary personal lives the Communists lead
3. the thorough Communist organization
4. the simpler, stronger and more logical Communist ideology despite its false premises.

A. A large number (estimated by some at 40 million) are in Peking and throughout China. The extent of their control is unknown [redacted] they seldom appeared in the Peking streets.

[redacted] It is common knowledge that they are in the Government. One of my friends was told to see the Soviet advisers in order to get his goods through the customs. Apparently the Soviets control imports probably by checking invoices. The Chinese resent their presence and one railway worker complained bitterly to me in 1950 about the Soviets in the railway service.

A. Probably not to the extent alleged. The 1950 famine in China was greatly exaggerated. The Minister of the Interior told me in 1950 that the famine was not the result of food exports to the USSR but only a recurrence of the usual spring famine reinforced by drought in some areas and floods in others.

A. No. [redacted] was solely responsible. I cannot say what the inner circle in the Government thought but I suspect that it opposed China's entrance. It may have justly felt China's efforts were more needed in the country's reconstruction.

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